

REMARKS

Favorable reconsideration and allowance of the present patent application are respectfully requested in view of the foregoing the following remarks.

Claims 35-58 are presently active in this case. The present Amendment amends claims 35, 49 and 55 and adds claim 58.

In the outstanding Office Action, Claims 35, 49 and 55 were rejection under 35 U.S.C. §112 as containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Claims 35-48 were rejected under 35 U.S.C. §103(a) as unpatentable over and further in view of Shah, U.S. Patent No. 5,028,766 (Shah), Phillips, U.S. Patent No. 5,839,058 (Phillips), Peters, U.S. Patent No. 5,769,269 and the Arizona Republic FINAL CHASER, Section: Weekend, Page: D12 (Boyar). Claims 49-54 were rejected under 35 U.S.C. 103(a) as unpatentable over Phillips, Boyar and further in view of Shah. Claims 55-57 were rejected under 35 U.S.C 103(a) as unpatentable over Peters and Phillips, and in further view of Boyar.

Applicant wishes to thank the examiner for the courtesy of an interview granted to Applicant's representative and follow up phone call on April 22, 2005, at which time the outstanding issues in this case were discussed. Arguments similar to the ones developed hereinafter were presented and the Examiner indicated that in light of the arguments, the amended claims appear to be allowable and he would reconsider the outstanding grounds for rejection upon formal submission of a response.

Specifically, during the interview, the 35 U.S.C. §112, first paragraph rejection of claims 35, 49 and 55 was discussed and appropriate amendments were suggested to obviate the rejections. These amendments are discussed in more detail below. Additionally, during the interview and the follow up phone call, the Examiner suggested that the 35 U.S.C. §103 rejection of claims 35-57, and specifically the combination of the primary reference, Shah, with the secondary reference, Phillips, might be overcome due to a lack of motivation to combine the two references. The arguments regarding the lack of motivation to combine the above references is discussed in detail below.

In response to the rejection under 35 U.S.C. §112, first paragraph, Claims 35, 49, and 55, are amended to more clearly indicate the subject matter as described in the specification as per the arguments made at the personal interview. Specifically, claim 35 now recites, "wherein a transaction identifier alerts the return center that the pre-paid package is returned." Claim 49 now recites, "updating the database on the return of the media through electronic notification;" and, "tracking the return of the media at the return center." Claim 55 now recites, "means for notifying the return center that the product has been returned;" and "means for tracking the product from the return center after it has been returned." In view of amended claims 35, 49 and 55, it is believed that all pending claims contain only subject matter which is described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor, at the time the application was filed, had possession of the claimed invention. If, however, the Examiner disagrees, the Examiner is invited to telephone the undersigned who will be happy to work with the Examiner in a joint effort to derive mutually acceptable language.

In response to the rejection of claims 35-57 under 35 U.S.C. §103(a), Applicants respectfully request reconsideration of these rejections and traverse the rejections as discussed next.

Briefly recapitulating, an exemplary embodiment of the present application relates to the vending of a product at a point of sale and the return of the product to a remotely located return center. As explained in Applicant's specification at page 4, line 1, through page 6, line 24, with corresponding Fig. 1, Applicant's invention, therefore, improves upon conventional vending, distribution and return of products.

Turning now to the prior art, the Shah patent discloses an automated rental system. The Phillips et al patent discloses a recyclable cellular telephone. The Peters patent discloses a vending system. The Boyar article discloses a return mailing system.

35 U.S.C. §103 Rejection

103: No evidence of motivation to combine

Applicants respectfully traverse the rejection of claims 35-54 because there is no sufficient evidence of record for the required motivation to modify the Shah device by incorporating Phillip's system that requires the customer to return a product after use, for the following reasons.¹

The outstanding Office Action states that the proposed modification would have been obvious "to provide another POS (point of sale) outlet and increase the availability of the product

¹ See MPEP 2143.01 stating "[o]bviousness can only be established by combining or modifying the teaching of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art," (citations omitted). See also MPEP 2144.08 III stating that "[e]xplicit findings on motivation or suggestion to select the claimed invention should also be articulated in order to support a 35 U.S.C. 103 ground of rejection. . . . Conclusory statements of similarity or motivation, without any articulated rational or evidentiary support, do not constitute sufficient factual findings."

to the public."² The record, however, fails to provide the required evidence of a motivation for a person of ordinary skill in the art to perform such modification. While the Phillips patent may provide a reason for requiring the customer to return the product after use to a different location, the Phillips patent fails to suggest why a person of ordinary skill in the art would be motivated to return the product to a separate location as in a device such as the one disclosed in the Shah patent, which requires that the article be returned to the point of sale in order to properly calculate rental fees (col. 2, lines 20-28). In particular, that the Phillips patent states that a customer is required to return a product after use already achieves Phillips's goal of returning and refurbishing a product.³ The Phillips patent states that after a predetermined time, the product must be returned for refurbishment or a fee must be paid for continued use.⁴ The Phillips patent does not suggest that an additional feature is needed to achieve its intended goal. In particular, the Phillips patent does not suggest that a return to the point of sale, such as that disclosed in the Shah patent, would be desired. Instead, returning the product to the point of sale in Phillips would hinder the process of refurbishing the phone and rendering it acceptable to be placed back on the market because additional steps would be required to obtain the phones from the point of sale and return them to the a central location for refurbishing.

Similarly, the Shah patent states that its structure already achieves the goal of returning a product to the point of sale.⁵ The Shah patent does not suggest that further improvement is desired, nor that another feature should be added to further improve the vending machine and system. In particular, the Shah patent does not suggest the return of a product to a remote

² See outstanding Office Action at the bottom of page 3.

³ See the Phillips patent, for example, at column 3, lines 21-24.

⁴ See the Phillips patent, for example, at column 10, lines 12-16.

⁵ See the Shah patent, for example, at column 2, lines 8-26.

location, such as those disclosed in the Phillips patent.⁶ The Shah and Phillips patents, therefore, do not provide the motivation to perform the proposed modification of the Shah device. In other words, an attempt to bring in the isolated teaching of Phillips's returning of a product to a remote location into the Shah device would amount to improperly picking and choosing features from different references without regard to the teachings of the references as a whole.⁷ While the required evidence of motivation to combine need not come from the applied references themselves, the evidence must come from *somewhere* within the record. In this case, there is nothing in the record supporting the Office Action's proposed modification of the Shah patent.

103: Change of basic principle

Furthermore, it is not clear from the record how Phillips's returning of a product to a remote location after use could be incorporated into the Shah device. Under such a modification, the customer would have to arrange for return and payment for the product from a remote, inconvenient location. However, the device in Shah requires that the customer return the product to the vending machine in order to access the customer's account and appropriately bill or credit the customer after recognizing and restocking the product in the machine. Such modification would require a substantial reconstruction or redesign of the elements of the Shah device, and/or would change the basic principle of operation of the Shah device. There is no evidence that a person of ordinary skill in the art would be motivated to perform such changes and redesign.⁸

⁶ See the Shah patent, for example, at column 2, lines 8-26.

⁷ See In re Ehrreich 590 F.2d 902, 200 USPQ 504 (CCPA, 1979) (stating that patentability must be addressed "in terms of what would have been obvious to one of ordinary skill in the art at the time the invention was made in view of the sum of all the relevant teachings in the art, not in view of first one and then another of the isolated teachings in the art," and that one "must consider the entirety of the disclosure made by the references, and avoid combining them indiscriminately.")

⁸ See In re Ratti, 270 F.2d 810, 813, 123 USPQ 349, 352 (reversing an obviousness rejection where the "suggested combination of references would require a substantial reconstruction and redesign of the elements shown in [the primary reference] as well as a change in the basic principle under which the [primary reference] construction was designed to operate.")

Furthermore, it is not clear from the record whether such modification would actually "provide another POS outlet and increase the availability of the product to the public."

103 Rejection of Claims 55-57

Applicants respectfully traverse the rejection of claims 55-57 because there is no sufficient evidence of record for the required motivation to modify the Peters device by incorporating Phillip's system that requires the customer to return a product after use, for the following reasons.⁹

The outstanding Office Action states that the proposed modification would have been obvious "to provide another POS (point of sale) outlet and increase the availability of the product to the public and convenience of being able to mail back the product."¹⁰ The record, however, fails to provide the required evidence of a motivation for a person of ordinary skill in the art to perform such modification. While the Phillips patent may provide a reason for requiring the customer to return the product after use to a different location, the Phillips patent fails to suggest why a person of ordinary skill in the art would be motivated to return the product to a separate location as in a device such as the one disclosed in the Peters patent, which contains no provisions for the return of a vended product. Instead, Peters vends a product, such as a compact disc, to a customer for a full purchase price with no intent that the product be returned (col. 1, lines 15-40 and col. 15, lines 1-26). In particular, that the Phillips patent states that a customer is required to return a product after use already achieves Phillips's goal of returning and

⁹ See MPEP 2143.01 stating "[o]bviousness can only be established by combining or modifying the teaching of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art," (citations omitted). See also MPEP 2144.08 III stating that "[e]xplicit findings on motivation or suggestion to select the claimed invention should also be articulated in order to support a 35 U.S.C. 103 ground of rejection. . . . Conclusory statements of similarity or motivation, without any articulated rational or evidentiary support, do not constitute sufficient factual findings."

¹⁰ See outstanding Office Action at the first paragraph of page 26.

refurbishing a product.¹¹ The Phillips patent states that after a predetermined time, the product must be returned for refurbishment or a fee must be paid for continued use.¹² The Phillips patent does not suggest that an additional feature is needed to achieve its intended goal. In particular, the Phillips patent does not suggest that one time purchase of a product without return, such as in the Peters patent, would be desired. Instead, purchasing the product outright in Phillips would hinder the process of refurbishing the phone and rendering it acceptable to be placed back on the market because additional steps would be required to obtain the phones from the point of sale and return them to the a central location for refurbishing. Additionally, the return of a product in Peters, such as a customer-designated music selection on a compact disc (Peters, col. 2, lines 30-38) would be detrimental as it is unlikely that a later customer would desire to have the same exact music selection as a previous customer.

Similarly, the Peters patent states that its structure already achieves the goal vending a customer designated product at the point of sale.¹³ The Shah patent does not suggest that further improvement is desired, nor that another feature should be added to further improve the vending machine and system. In particular, the Peters patent does not suggest the return of a product to a remote location, such as those disclosed in the Phillips patent.¹⁴ The Peters and Phillips patents, therefore, do not provide the motivation to perform the proposed modification of the Peters device. In other words, an attempt to bring in the isolated teaching of Phillips's returning of a product to a remote location into the Peter device would amount to improperly picking and choosing features from different references without regard to the teachings of the references as a

¹¹ See the Phillips patent, for example, at column 3, lines 21-24.

¹² See the Phillips patent, for example, at column 10, lines 12-16.

¹³ See the Peters patent, for example, at col. 1, lines 15-40, col. 2, lines 30-38 and col. 15, lines 1-26.

¹⁴ See the Peters patent, for example, at column 2, lines 30-38.

whole.¹⁵ While the required evidence of motivation to combine need not come from the applied references themselves, the evidence must come from *somewhere* within the record. In this case, there is nothing in the record supporting the Office Action's proposed modification of the Shah patent.

103: Change of basic principle

Furthermore, it is not clear from the record how Phillips's returning of a product to a remote location after use could be incorporated into the Peters device. Under such a modification, the customer would have to arrange for return and payment for the product from a remote, inconvenient location. However, the device in Peters requires that the customer purchase the product outright from the vending machine. Such modification would require a substantial reconstruction or redesign of the elements of the Peters device, and/or would change the basic principle of operation of the Peters device. There is no evidence that a person of ordinary skill in the art would be motivated to perform such changes and redesign.¹⁶

Furthermore, it is not clear from the record whether such modification would actually "provide another POS outlet and increase the availability of the product to the public."

103: Closing

In rejecting a claim under 35 U.S.C. §103(a), the USPTO must support its rejection by "substantial evidence" within the record,¹⁷ and by "clear and particular" evidence¹⁸ of a

¹⁵ See In re Ehrreich, 590 F.2d 902, 200 USPQ 504 (CCPA, 1979) (stating that patentability must be addressed "in terms of what would have been obvious to one of ordinary skill in the art at the time the invention was made in view of the sum of all the relevant teachings in the art, not in view of first one and then another of the isolated teachings in the art," and that one "must consider the entirety of the disclosure made by the references, and avoid combining them indiscriminately.")

¹⁶ See In re Ratti, 270 F.2d 810, 813, 123 USPQ 349, 352 (reversing an obviousness rejection where the "suggested combination of references would require a substantial reconstruction and redesign of the elements shown in [the primary reference] as well as a change in the basic principle under which the [primary reference] construction was designed to operate.")

¹⁷ In re Gartside, 203 F.3d 1305, 53 USPQ2d 1769 (Fed. Cir. 2000) (holding that, consistent with the Administrative Procedure Act at 5 USC 706(e), the CAFC reviews the Board's decisions based on factfindings, such

suggestion, teaching, or motivation to combine the teachings of different references. As discussed above, there is no substantial evidence, nor clear and particular evidence, within the record of motivation for modifying the Shah device or the Peters device by incorporating Phillip's returning of the vended product to a remote location. Without such motivation and absent improper hindsight reconstruction,¹⁹ a person of ordinary skill in the art would not be motivated to perform the proposed modification, and Claims 35-57 are believed to be non-obvious and patentable over the applied prior art.

New Claim

New claim 58 has been added. This claim includes subject matter which, in light of the above arguments regarding the combination of Shah or Peters and Phillips, is believed to be allowable.

CONCLUSION

In view of the foregoing amendments and remarks, it is respectfully submitted that the application is in condition for allowance. A Notice of Allowance for Claims 35-58 is earnestly solicited.

as 35 U.S.C. § 103(a) rejections, using the 'substantial evidence' standard because these decisions are confined to the factual record compiled by the Board.)

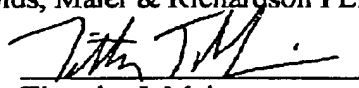
¹⁸ *In re Dembiczak*, 175 F3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999) ("We have noted that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved, although the suggestion more often comes from the teachings of the pertinent references.' The range of sources available, however, does not diminish the requirement for actual evidence. That is, the showing must be clear and particular.") (emphasis added).

¹⁹ See MPEP 2141, stating, as one of the tenets of patent law applying to 35 USC 103, that "[t]he references must be viewed without the benefit of impermissible hindsight vision afforded by the claimed invention."

If the Examiner believes that any additional changes would place the application in better condition for allowance, the Examiner is encouraged to contact the undersigned attorney, at the telephone number listed below.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this, concurrent and future replies, including extension of time fees, to Deposit Account 50-3136 and please credit any excess fees to such deposit account.

Respectfully Submitted,
Olds, Maier & Richardson PLLC


Timothy J. Maier
Principal
Reg. No. 51,986

Timothy J. Maier
Olds, Maier & Richardson PLLC
Principal
128 North Pitt Street, 2nd Floor
Alexandria, VA 22314

Tel. 1.703.740.8322, ext. 105